Manitoba

Annual Report 1990 - 91

The Public Trustee

Includes 10% post-consumer waste

92-07853/

Minister of Justice

Attorney-General

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable George Johnson, M.D.
Lieutenant-Governor of Manitoba

May It Please Your Honour:

It is my privilege to present for the information of Your Honour the Annual Report of the Public Trustee for the fiscal year ending March 31, 1991.

Respectfully submitted,

James C. McCrae
Minister of Justice and
Attorney-General

Manitoba

The Public Trustee

13th Floor
Woodsworth Building
405 Broadway
Winnipeg, Manitoba, CANADA
R3C 3L6

Honourable James C. McCrae
Minister of Justice
and Attorney-General
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. McCrae:

In accordance with the provisions of Section 19 of *The Public Trustee Act*, I submit this Ninth Annual Report for the period ending March 31, 1991.

The report of the Provincial Auditor dated January 17, 1992, for the year ending March 31, 1991, is attached hereto.

Yours truly,

Irene A. Hamilton
Public Trustee

Table of Contents

TITLE	PAGE
Dimensions	8
Public Relations and Education	8
Statistics	8
Revenue/Expenditure Profile	9
Trust and Estates Section Activity	10
Client Administration Section Activity	10
Legal Section Activity	10
Report of the Provincial Auditor's Office	12

The Public Trustee of Manitoba

Dimensions

1990-91

Staff complement	59
Revenue	$ 3,621,500
Expenditure	$ 2,989,200
Assets under administration	$ 120,093,000
Number of Client Administrations, Deceased Estates, Trusts and Legal Files	6,502

Public Relations and Education

The following organizations and entities were addressed by the Public Trustee and her staff during the 1990-91 fiscal year:

Continuing Care Workers — Winnipeg
Deer Lodge Hospital — Winnipeg
Elder Abuse Panel — Deer Lodge Hospital — Winnipeg
Golden West Centennial Lodge — Winnipeg
Legal Secretaries Association
Manitoba Developmental Centre — Abuse Conference
Manitoba Friends of Schizophrenics
Manitoba Gerontology Association
Mental Health Workers — Beausejour
Misericordia Hospital — Department of Social Work
St. Amant Centre
St. Boniface Hospital — Department of Social Work
Society for Manitobans with Disabilities
Winnipeg Teacher's Association
Working Group on Community Living

Statistics

Client Accounts, Deceased Estates and Trusts under Administration

In the fiscal year ending March 31, 1991, the net value of client accounts, deceased estates and trusts under administration increased to $120,092,487 from $113,187,945, an increase of 6.1%.

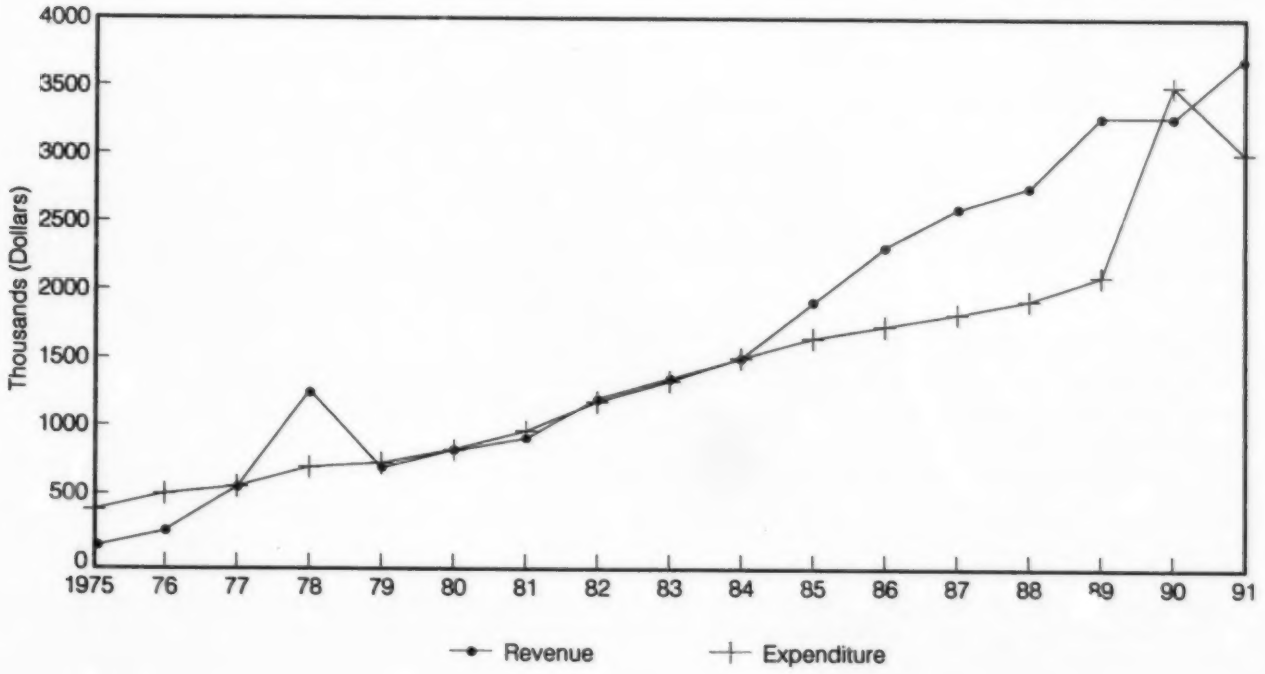
The number of client accounts administered by the Client Administration Section increased from 3,457 to 3,956, or 14.4%. The number of trusts and deceased estates increased from 1,846 to 1,934 or 4.7%.

The Common Fund, the principal investment vehicle used by the Public Trustee, was valued at $90,909,880 on March 31, 1991, compared with $86,696,028 on March 31, 1990. This represents a growth of 4.8%.

The Public Trustee of Manitoba

Revenue/Expenditure Profile

Year	Revenue	Expenditure	Revenue as a % of Expenditure
1982-83	$1,364,200	$1,336,000	102.11%
1983-84	1,470,100	1,522,600	96.55%
1984-85	1,853,400	1,623,400	114.17%
1985-86	2,291,500	1,691,300	135.49%
1986-87	2,566,900	1,773,300	144.75%
1987-88	2,770,500	1,926,900	143.78%
1988-89	3,202,300	2,081,800	153.82%
1989-90	3,215,000	3,467,000	92.73%
1990-91	3,621,500	2,989,200	121.15%



The Public Trustee of Manitoba — Section Activity for the year ending March 31, 1991

Trusts and Estates Section

	1988	1989	1990	1991*
Assets Under Administration	$28,002,500	$30,690,000	$31,393,000	$31,917,000
Number of Accounts:				
Deceased Estates	762	774	750	826
Infant Trusts	1,055	1,057	1,096	1,108
	1,817	1,831	1,846	1,934

Client Administration Section

	1988	1989	1990	1991*
Assets under Administration	$66,860,200	$69,454,000	$81,795,000	$88,176,000
Number of Clients	3,254	3,326	3,457	3,956

Legal Section

	1988	1989	1990	1991
Number of files at beginning of year	436	475	541	600
Number of files opened	419	409	427	584
Sub-total	855	884	968	1,184
Number of files closed	380	343	368	572
Number of files at year-end	475	541	600	612

** Note: Assets under Administration are comparable to previous years as opposed to financial statement presentation (see Note 3 in Notes to Financial Statements).*

Manitoba

The Public Trustee

13th Floor
Woodsworth Building
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Winnipeg, Manitoba, CANADA
R3C 3L6

Management Report

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year with the exception of the change in policy as explained in Note 3 to the Financial Statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to January 17, 1992. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Provincial Auditor and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Irene A. Hamilton
Public Trustee

Office of
the Provincial Auditor

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

Auditor's Report

To the Legislative Assembly of Manitoba

We have audited the balance sheet of estates and trusts under administration of the Public Trustee as at March 31, 1991 and the statement of cash receipts and disbursements for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the estates and trusts under administration of the Public Trustee as at March 31, 1991 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

F.H. Jackson, CA
Provincial Auditor

Winnipeg, Manitoba
January 17, 1992

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration

as at March 31, 1991
(with 1990 figures for comparison)

	1991	1990
Assets		
Cash on hand and in bank	$ 871,321	$ —
Investments — common fund (Notes 2(a) and 4)	90,909,880	86,696,028
— specific estates and trusts (Note 5)	20,169,710	17,398,900
Accrued interest receivable on common fund investments (Note 2(a))	2,257,591	2,316,318
Receivable from the Government of the Province of Manitoba	—	592,885
Other assets at nominal value (Note 2(c))	1	1
	$ 114,208,503	$ 107,004,132
Liabilities		
Cheques issued in excess of funds on deposit	$ —	$ 43,410
Other liabilities at nominal value (Note 2 (d))	1	1
Public Trustee — Fees payable (Note 6)	67,029	72,829
— Expenditures payable (Note 7)	13,084	63,418
	80,114	179,658
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	82,928,763	76,459,344
The Public Trustee Act	31,199,626	30,365,130
	$ 114,208,503	$ 107,004,132

The Public Trustee of Manitoba

Statement of Cash Receipts and Disbursements

for the year ended March 31, 1991
(with 1990 figures for comparison).

RECEIPTS	1991	1990
Funds held by estates and trusts brought under administration	$ 11,695,318	$ 9,705,273
Realization of equities in other estates	1,191,651	1,690,571
Pensions, compensation and assistance	16,235,552	13,923,505
Sickness, disability and other insurance benefits	2,264,591	1,922,481
Collections on account of:		
Accounts receivable	326,760	219,925
Rentals and leases receivable	227,350	184,348
Mortgages and agreements receivable	37,578	36,837
Receivable from the Government of the Province of Manitoba	592,518	98,609
	1,184,206	539,719
Sale of chattels	190,485	240,978
Sale of real estate	1,102,701	1,800,861
Interest — bonds and investment certificates	13,418,950	11,633,417
Dividends	142,482	145,070
Bank interest	161,977	84,144
Total receipts, before sale or redemption of securities	47,587,913	41,686,019
Sale and redemption of securities	35,045,012	63,237,986
Cheques issued in excess of funds on deposit at beginning of year	(43,410)	(169,449)
	$ 82,589,515	$ 104,754,556

DISBURSEMENTS	1991	1990
Payments on account of:		
Accounts payable discharged	$ 104,998	$ 101,519
Mortgages and agreements payable	20,394	139,602
Real estate purchases	46,196	3,550
	171,588	244,671
Maintenance:		
Board, room and other expenses	16,411,207	14,602,864
Preservation of estates:		
Realty and income taxes	2,407,599	1,271,097
Insurance	123,443	104,704
Repairs	80,056	72,095
Sundry	1,092,166	758,068
	3,703,264	2,205,964
Support of dependents	52,529	55,710
Administration and passing of accounts (Note 6)	3,263,715	3,136,848
Goods and Services Tax re Fees	5,892	—
Burial expenses	773,200	736,162
Estates and trusts released from administration	16,481,246	10,913,947
Total disbursements, before purchase of securities	40,862,641	31,896,166
Purchase of securities	40,855,553	72,901,800
Cheques issued in excess of funds on deposit at end of year	—	(43,410)
Cash on hand and in bank at end of year	871,321	—
	$ 82,589,515	$ 104,754,556

The Public Trustee of Manitoba

Notes to Financial Statements

March 31, 1991

1. **Role and Objective**

   The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

2. **Significant Accounting Policies**

   Statement of Cash Receipts and Disbursements

   The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

   Balance Sheet

   The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

   a) **Investments — Common Fund**

      Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

   b) **Investments — Specific Estates and Trusts**

      Investments held for specific estates and trusts are recorded at par value, except for shares of capital stock and mutual funds. Shares of capital stock and mutual funds are valued as follows:

      Shares assumed under administration prior to December 22, 1971 are valued at Valuation Day prices (market value as at December 22, 1971), if available.

      Shares assumed under administration prior to December 22, 1971 for which no Valuation Day prices exist are recorded at cost, if available, or at a nominal value of $1.

      Shares assumed under administration since December 22, 1971 are recorded at the market value as at the date of assumption, if available, or at a nominal value of $1.

      Shares purchased by the Public Trustee are recorded at cost.

      Shares forming part of estates of deceased persons assumed under administration are recorded at the market value as at the date of death, if available, or at a nominal value of $1.

   c) **Other Assets**

      Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

   d) **Other Liabilities**

      Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. **Changes in Accounting Policies**

   During the year, the Public Trustee changed its method of valuing estates other assets and other liabilities. Previously other assets and other liabilities were valued through a combination of actual, estimates, or nominal valuations. Other assets and liabilities are now valued at a nominal value of $1. These changes in valuation have been applied on a retroactive basis. The effect of these changes in accounting policy is a reduction to the recorded value of estates and trusts under administration of *The Mental Health Act* of $5,289,987 (1990 — $5,335,711) and under administration of *The Public Trustee Act* of $754,225 (1990 — $1,027,760).

Notes to Financial Statements

March 31, 1991

4. Investments — Common Fund

	1991 Par Value	1991 Book Value	1990 Book Value
Term deposits and investment certificates	$ 23,100,000	$ 23,100,000	$ 18,400,000
Government of Canada bonds	54,625,000	56,787,612	57,061,975
Province of Manitoba bonds	—	—	199,563
Province of Quebec bonds	1,000,000	999,013	998,274
Ontario Hydro-Electric bonds	9,000,000	9,023,255	9,036,216
Federal Business Development Bank	1,000,000	1,000,000	1,000,000
	$ 88,725,000	$ 90,909,880	$ 86,696,028

5. Investments — Specific Estates and Trusts

	1991	1990
Term deposits, investment certificates and treasury bills, at par value	$ 9,656,577	$ 6,322,547
Government of Canada and other bonds, at par value	8,145,153	8,554,199
Shares of capital stock and mutual funds (Note 2 (b))	2,367,980	2,522,154
	$ 20,169,710	$ 17,398,900

6. Administration Fees

Under Section 14 of *The Public Trustee Act*, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under her administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Public Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. The Government of the Province of Manitoba recovers these costs from the administration fees charged to estates and trusts under administration by the Public Trustee. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

Costs of operating the Public Trustee office are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements.

7. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of Justice, Government of the Province of Manitoba.

8. Statutory Fees and Costs

Under Section 3(3) and Section 4 of *The Public Trustee Act* and Section 12 of *The Infants' Estates Act*, the Public Trustee provides legal services for estates and trusts not under her administration. Fees and court awarded costs collected and remitted to the Government of the Province of Manitoba amounted to $5,810 for the year ended March 31, 1991 (1990 — $8,958). These amounts are not reflected in the financial statements.

9. Comparative figures for year ended March 31, 1990 have been restated where necessary to conform with the presentation for March 31, 1991.